



5 Unmissable Blue-Chip Stocks for Your RRSP

Description

When it comes to investing in retirement, you want quality stocks that pay decent dividends and can go the distance. Below is a fistful of likely stocks, chosen from the cream of the blue-chip companies listed on the TSX index. There's your usual mix of financials and telecoms, with consumables thrown in for good measure. Let's start off with a favourite of domestic investors and see what some of the best Canadian stocks are looking like today.

TD Bank ([TSX:TD](#))([NYSE:TD](#))

TD Bank is looking like a very strong buy today, with a valuation close to equal its future cash flow value and market fundamentals close to acceptable levels: a P/E of 13.9 times earnings, PEG of twice growth, and P/B of 2.1 times book. TD Bank isn't forecasting much growth ahead, with just 7% expected annual growth in earnings, though this is par for the course at the moment with financials.

A dividend yield of 3.41% reminds us of why this is regarded as such a high-quality stock. Acceptable levels of non-loan assets and low-risk liabilities go towards the same reading, though last year's ROE was a little low at 14%.

Rogers ([TSX:RCI.B](#))([NYSE:RCI](#))

A favorite of many Canadian investors, Rogers is discounted by 23% compared to its future cash flow value at the moment. Its figures look mixed on value: a so-so P/E of 19.1 times earnings, somewhat high PEG of twice growth, and off-putting P/B ratio of 4.7 times book.

An acceptable 9.7% expected annual growth in earnings is on the cards, while shareholders are rewarded with a dividend yield of 2.82%. Rogers's return on equity last year was 25%, signifying a good use of shareholder funds by this telecom giant.

Restaurant Brands ([TSX:QSR](#))([NYSE:QSR](#))

Overvalued by more than 50% of its future cash flow value, the Tim Hortons owner is still a stock worth owning, even if right now isn't quite the time to buy. A P/E of 17.9 times earnings is fine and dandy,

while a PEG of 1.1 times growth is reasonable. However, a P/B ratio of 7.1 times book feels too high to buy into.

A 16.6% expected annual growth in earnings spells good things ahead for this stock, while a dividend yield of 3.05% should keep shareholders cheerful; indeed, [Restaurant Brands's](#) return on equity last year was a significant 34%. A high level of debt 286.4% of total net worth is something to be aware of if you're thinking of holding long term.

Molson Coors ([TSX:TPX.B](#))([NYSE:TAP](#))

Discounted by 26% compared to its future cash flow value, you'd think Molson Coors would be on a high after this summer's landmark cannabis deal. Its P/E and PEG ratios are skewed at the moment, but a P/B ratio of 0.5 times book suggests investors are getting good value for money as far as assets are concerned. The rest of its figures may leave investors hungry, though, with a pint-sized dividend yield of 2.2% and a high level of debt at 240.6% of total net worth.

Fairfax ([TSX:FFH](#))

Valued as per its future cash flow value, [Fairfax](#) is a financial holdings stock with a canny management style and an ambitious outlook. But how is it looking today on fundamentals?

A P/E of 7.4 times earnings and a P/B of 1.2 times book make for a realistically valued stock today. However, while it may be a stock for value investors, it is not one for growth investors, since there is no expected annual growth in earnings. A one-year return on equity of 13% and low debt are all well and good; throw in a dividend yield of 1.75%, and you have a well-rounded financial holdings stock to hold in your retirement fund.

CATEGORY

1. Bank Stocks
2. Dividend Stocks
3. Investing

TICKERS GLOBAL

1. NYSE:QSR (Restaurant Brands International Inc.)
2. NYSE:RCI (Rogers Communications Inc.)
3. NYSE:TAP (Molson Coors Beverage Company)
4. NYSE:TD (The Toronto-Dominion Bank)
5. TSX:FFH (Fairfax Financial Holdings Limited)
6. TSX:QSR (Restaurant Brands International Inc.)
7. TSX:RCI.B (Rogers Communications Inc.)
8. TSX:TD (The Toronto-Dominion Bank)
9. TSX:TPX.B (Molson Coors Canada Inc.)

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